

AMENDED IN ASSEMBLY APRIL 1, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2838

Introduced by Assembly Member ~~Kelley~~ Canciamilla

February 25, 2002

An act to add Section 455.2 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2838, as amended, ~~Kelley~~ Canciamilla. Water rates.

Existing law requires the Public Utilities Commission to establish rates for water corporations.

This bill would require the commission to follow a certain procedure when a water corporation files with the commission, pursuant to the commission's rate case plan for general rate increase applications or pursuant to an advice letter submitted in accordance with commission procedures, a schedule stating rates, classifications, contracts, practices, or rules for the service of water.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:
3 (a) Water corporations are currently faced with and will
4 continue to be faced with the following:

(1) The need to devote ever increasing resources, time, and capital to secure and protect their public water supplies and public water systems from sabotage, infection, contamination, damage, or interference by terrorists, or threats of terrorists.

(2) The need to design, construct, and operate water system infrastructure, plants, and facilities, using the best available technologies, to comply with increasingly stringent state and federal safe drinking water laws and resolutions.

(3) The need to develop new sources of supply, make existing sources of supply safe, secure, and more reliable, and encourage and implement water conservation measures, including water reclamation and reuse.

(4) The need to replace or upgrade water infrastructure, plants, and facilities to meet the governing fire flow standards for public fire protection purposes and to protect the public health and safety.

(b) The ~~California~~ Public Utilities Commission needs to act timely in making determinations and establishing rates for water service so that the water corporations can meet their obligation to provide their ratepayers with safe, secure, and reliable water service.

SEC. 2. Section 455.2 is added to the Public Utilities Code, to read:

455.2. Whenever a water corporation files with the commission, pursuant to the commission's rate case plan for general rate increase applications or pursuant to an advice letter submitted in accordance with commission procedures for this means of submission, a schedule stating rates, classifications, contracts, practices, or rules for the service of water, the commission shall observe the following procedures:

(a) Except as provided in subdivisions (b), ~~(c), and (d)~~ and (c), the schedule, as filed, shall become effective, on an interim basis subject to refund, 214 days following the date the application was filed pursuant to the commission's rate case plan for general rate increase applications or 40 days following the filing of the schedule pursuant to an advice letter.

(b) If, upon its own initiative, the commission, acting through the staff organization with responsibility for reviewing general rate case applications or advice letter filings, determines that the schedule filed by a water corporation is not justified, it shall notify the water corporation of the determination in writing 99 days from

1 the date of filing of an application and 30 days from the date of
2 filing of the schedule pursuant to an advice letter and shall state in
3 the notice all changes to the schedule that are required to make it
4 just and reasonable in the opinion of the staff organization. Upon
5 the filing of a revised schedule by the water corporation within 10
6 days of receipt of the notice from the commission, acting through
7 the staff organization, incorporating all changes specified in the
8 notice, the revised schedule shall become effective, on an interim
9 basis not subject to refund, upon the expiration of five days from
10 the date of the refiling.

11 ~~(e) If a water corporation does not file a revised schedule~~
12 ~~incorporating all changes specified in the notice of changes as~~
13 ~~provided in subdivision (b), the schedule as filed shall become~~
14 ~~effective on an interim basis, upon the expiration of 30 days from~~
15 ~~the date of filing of the notice, subject to refund of any amount of~~
16 ~~the rate subsequently found by the commission to be in excess of~~
17 ~~a just and reasonable rate.~~

18 ~~(d)—~~

19 (c) If the commission, acting through the staff organization,
20 files a notice of changes as provided in subdivision (b), the
21 commission shall set the matter for a hearing on the application or
22 advice letter to be held within a reasonable time from the date of
23 the notice. The revised schedule shall become final upon
24 commission action approving the revised schedule or otherwise as
25 the commission finds to be just and reasonable.

